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**WATERWORKS DISTRICT NO. 2  
OF NATCHITOCHES PARISH  
NATCHEZ, LOUISIANA  
FINANCIAL REPORT  
FOR THE YEAR ENDED  
DECEMBER 31, 2001**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. This report is available for public inspection at the House Always office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/15/02

**WATERWORK DISTRICT NO. 2 OF MATTHEWS COUNTY**  
**WATERWORKS COMMISSIONERS**  
**1845-1919 COMMISSEONERS**  
**(EXCERPTS, P. 2, 2001)**

<u>Commissioners</u>	<u>Office</u>	<u>Year Elected</u>	<u>Term</u>
Richard L. Williamson 1602 Bermuda Rd., Matthews, La 71456 318/552-8780	President	2000	2 yrs.
Clyde H. Mason 1521 Hwy 400, Clarksboro, La 71436 318/578-8036	Vice-President	2000	3 yrs.
John T. Hutton, Jr. 4449 Hwy 404, Matthews, La 71456 318/552-6438	Sec./Treasurer	2000	4 yrs.
David Metzger 2001 Hwy 118, Matthews, La 71456 318/578-2400		2001	4 yrs.
Kenneth Froelichman 646 Fish Hatchery Rd, Natchitoches, La 71457 318/552-2762		2001	2 yrs.
John M. Barthel P. O. Box 35, Flora, La 71428 318/552-4714		2001	3 yrs.
Donald D. Fortin 252 Hwy 118, Matthews, La 71456 318/552-9412		1997	3 yrs.
James L. Johnson P. O. Box 281, Matthews, La 71456 318/552-5590		1997	3 yrs.

**WATERWORKS DISTRICT NO. 2 OF HATCHDOCKES PARISH**  
**HATCHDOCKES, LOUISIANA**  
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**DECEMBER 31, 2001**

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## GENERAL PURPOSE FINANCIAL STATEMENTS

# HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS  
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A STATE LICENSED FIRM  
1987-1989

FRANK S. HINES, CPA  
LEWIS C. HINES, CPA  
T. MICHAEL HINES, CPA  
JULIE H. HINES, CPA

## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Waterworks District No. 2 of Natchitoches Parish  
Natchitoches, Louisiana 71404

We have audited the accompanying general purpose financial statements of the Waterworks District No. 2 of Natchitoches Parish, Natchitoches, Louisiana, a component unit of the Natchitoches Parish Police Jury, as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Waterworks District No. 2 of Natchitoches Parish. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material aspects, the financial position of the Waterworks District No. 2 of Natchitoches Parish, Natchitoches, Louisiana, a component unit of the Natchitoches Parish Police Jury, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2002, on our consideration of the Waterworks District No. 2 of Natchitoches Parish's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Waterworks District No. 2 of Natchitoches Parish, Natchitoches, Louisiana, a component unit of the Natchitoches Parish Police Jury, taken as a whole. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The financial information for the year ended December 31, 2000, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated May 8, 2001, on the general purpose financial statements of the Waterworks District No. 2 of Natchitoches Parish.

**Hines, Jackson & Hines**  
Certified Public Accountants  
April 5, 2002

**WATERBURY DISTRICT NO. 1 OF WATERBURY, MASS.  
 WATERBURY, LOUISIANA  
 COMPARATIVE BALANCE SHEET - PROPRIETARY FUND TYPE  
 DECEMBER 31, 2001 AND 2000**

	<u>2001</u>	<u>2000</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 148,336	\$ 153,487
Investments	188,000	(80,880)
Accounts Receivable		
Trade, net	41,778	43,784
Interest	129	158
Office	221	85
Prepaid expenses	3,821	3,836
Deposits	1,843	3,645
Restricted assets		
Cash and cash equivalents	52,032	51,778
Investments	112,800	184,000
Property, plant and equipment, net	<u>2,655,940</u>	<u>1,288,242</u>
<b>Total Assets</b>	<b>\$ 2,548,365</b>	<b>\$ 1,731,831</b>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Liabilities</b>		
Accounts payable	\$ 16,336	\$ 6,348
Obligation under capital lease	7,431	18,184
Contract of indebtedness	265,493	278,449
Revenue bonds payable	348,168	568,186
Contract refundable motor deposits	<u>29,608</u>	<u>32,521</u>
<b>Total Liabilities</b>	<b>667,036</b>	<b>893,688</b>
<b>Fund Equity</b>		
Contributed capital	1,213,194	445,000
Retained earnings		
Reserved for capital additions and P&L, depreciation and contingency	45,891	41,663
Unreserved	<u>618,295</u>	<u>228,525</u>
<b>Total Retained Earnings</b>	<b>664,186</b>	<b>689,193</b>
<b>Total Fund Equity</b>	<b>1,882,540</b>	<b>1,845,193</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 2,549,576</b>	<b>\$ 1,731,831</b>

**WATKINSON DISTRICT NO. 2 OF HATCHERDITCH (AREA)**  
**BASIC, LIQUIDS**  
**COMPARISON STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND BALANCES - PROPRIETARY FUND TYPE**  
**FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

**EXHIBIT B**

	2001	2000
<b>Operating revenues</b>		
Charges for services	\$ 466,700	\$ 488,281
Late payment charges	12,448	12,704
Construction fees	18,264	17,109
Other income	911	17,911
<b>Total Operating Revenues</b>	<b>500,323</b>	<b>536,005</b>
<b>Operating expenses</b>		
Automotive equipment fuel and lubrication	6,657	7,771
Bond debt expense	0	4,520
Billing expense	1,000	1,871
Bond insurance - per share	5,400	6,180
Chemicals	15,100	16,650
Depreciation	185,745	88,620
Insurance	13,502	17,224
Insurance - employees	20,528	20,809
Liquor and fees	6,080	5,815
Legal and professional	88,000	7,440
Miscellaneous	4,380	2,634
Office supplies	2,171	1,716
Payroll taxes	8,546	8,128
Postage	3,551	4,741
Repair and maintenance	49,708	38,000
Salaries	151,258	85,815
Telephone	6,820	5,716
Utilities	31,151	30,618
<b>Total Operating Expenses</b>	<b>621,571</b>	<b>374,225</b>
<b>Operating Income</b>	<b>79,643</b>	<b>162,112</b>
<b>Nonoperating Revenues/Expenses</b>		
Capital Contributions	\$ 0	0
Interest income	15,618	12,000
Interest expense	(16,864)	(26,160)
Loss on disposition of assets	0	(89,871)
<b>Total Nonoperating Revenues/Expenses</b>	<b>(1,246)</b>	<b>(103,191)</b>
<b>Net Income/Loss</b>	<b>\$ 77,397</b>	<b>\$ 58,921</b>

The accompanying notes are an integral part of this statement.

**WATERWORKS DISTRICT NO. 2 OF HATCHEESBURG, MISSISSIPPI  
HATCHEE, LOUISIANA  
COMPARATIVE STATEMENT OF RETAINED EARNINGS AND  
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE II  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
(Increase)/Decrease in Contribution Capital	\$ (819,054)	\$ 0
(Increase)/Decrease in Retained Earnings - Reserved for Capital Additions and Contingency	(1,210)	(1,142)
(Increase)/Decrease in Retained Earnings - Reserved for FICA, Depreciation and Contingency Fund	<u>(2,118)</u>	<u>(2,189)</u>
Net Change in Unreserved Retained Earnings	17,765	93,164
Retained Earnings-Unreserved, Beginning of year	<u>318,529</u>	<u>484,769</u>
Retained Earnings-Unreserved, End of year	<u>\$ 336,294</u>	<u>\$ 577,933</u>

The accompanying notes are an integral part of this statement.



**WATERWORKS DISTRICT NO. 1 OF WASHINGTON COUNTY  
BALTIMORE, MARYLAND  
COMPARATIVE STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	<u>2001</u>	<u>2000</u>
<b>Cash Flows From Operating Activities</b>		
Operating income	\$ 76,643	\$ 60,713
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	181,783	88,659
Bad debt expense	0	4,758
Loss on disposition of assets	0	48,857
Insurance recoveries in operating assets		
Accounts receivable		
Trade	1,879	(13,569)
Other	(118)	25
Prepaid expenses	1	315
Deposits	0	(88)
Increase/(decrease) in operating liabilities		
Accounts payable	18,867	(146,784)
Customer water deposits	<u>3,813</u>	<u>3,000</u>
<b>Net Cash From Operating Activities</b>	<b>199,458</b>	<b>83,171</b>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Proceeds from issuing certificate of indebtedness	0	298,088
Principal repayments - lease obligations	(3,050)	(1,988)
Principal repayments - certificate of indebtedness	(24,598)	(19,991)
Principal repayments - revenue bonds	(39,598)	(19,899)
Purchase of capital assets	(43,824)	199,279
Disposition of assets	8	(19,877)
Interest paid	<u>(14,889)</u>	<u>(16,368)</u>
<b>Net Cash From Capital and Related Financing Activities</b>	<b>(134,889)</b>	<b>35,818</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(8,892)	0
Receipt of interest	<u>13,677</u>	<u>(2,311)</u>
<b>Net Cash From Investing Activities</b>	<b>4,785</b>	<b>(2,311)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>69,354</b>	<b>115,678</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	<b>210,186</b>	<b>98,866</b>
<b>CASH AND CASH EQUIVALENTS, End of year</b>	<b>\$ 279,540</b>	<b>\$ 214,544</b>

The accompanying notes are an integral part of this statement.

**WATERWORKS DISTRICT NO. 2 OF MATCHBEECHES PARISH  
MACHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
(DECEMBER 31, 2008)**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Waterworks District No. 2 of Matchbeeches Parish was created by an ordinance of the Matchbeeches Parish Police Jury on April 16, 1945. The District is a political subdivision of the Matchbeeches Parish Police Jury, whose members are elected officials. The District Commissioners are appointed by the Matchbeeches Parish Police Jury.

The accounting and reporting policies of the Waterworks District No. 2 of Matchbeeches Parish conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements set forth in the Louisiana Governmental Audit Guide under Louisiana Revised Statute 24:517, and to the industry audit guide, *Quality of State and Local Governmental Units*.

**4.      Financial Reporting Entity**

As the governing authority of the parish, for reporting purposes, the Matchbeeches Parish Police Jury is the financial reporting entity for Matchbeeches Parish. The financial reporting entity consists of: (1) the primary government (police jury); (2) organizations for which the primary government is financially accountable; and (3) other organizations for which material and significant financial relationships with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Government Accounting Standards/Financial Statement No. 14 established criteria for determining which component units should be considered part of the Matchbeeches Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1.      Appointing a voting majority of an organization's governing body, and
  - a)      The ability of the police jury to impose its will on that organization and/or
  - b)      The potential for the organization to provide specific financial burdens on the police jury.
2.      Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3.      Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The District Commissioners are appointed by the Matchbeeches Parish Police Jury. Also, because of the nature and significance of the service provided by the District, the financial statements of the reporting entity would be misleading if the District were excluded. Therefore, the Waterworks District No. 2 of Matchbeeches Parish was determined to be a component unit of the Matchbeeches Parish Police Jury, the financial reporting entity. The accompanying financial statements present information not only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

**WATERSHEDS DISTRICT NO. 2 OF WATCHBOCK PARISH  
WATCHBOCK, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2011**

**NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B.        Fund Accounting**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The individual funds account for the prearranged resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The District now consists of only one general fund type and one special fund category as follows:

**Proprietary Fund Type:** Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary for the normal financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the measurement of equity, is an important financial indicator. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued prior to November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**Enterprise Fund:** The enterprise fund is used to account for operations: a) that are financial and operated in a manner similar to private business enterprises; where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or - if net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**C.        Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement basis applied.

The enterprise fund is accounted for using the normal basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. The enterprise fund is accounted for on a flow of economic resources measurement basis and determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The purchase of various operating supplies are reported as expenditures at the time purchased.

**B.        Cash and Cash Equivalents**

Consistent with GASB 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting", the District defines cash and cash equivalents as follows:

Cash-- includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

**WATERWORKS DISTRICT NO. 3 OF HATCHEROSCHIEFSBURG**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2001**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B.      Cash and Cash Equivalents (Continued)**

Cash equivalents consist of short-term, highly liquid investments that are readily convertible to known amounts of cash and are secure in their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments with original maturities of three months or less qualify under this definition.

**C.      Accumulated unpaid vacation**

All full-time employees of the District are entitled to one week of vacation each year. This vacation time may not be carried over to the following year and does not vest or accumulate. Therefore, the District had no liability with respect to accumulated unpaid vacation as of December 31, 2001.

**D.      Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the retained portion that is expected to be uncollectible. Estimated uncollectible amounts from the enterprise fund are recognized at the end of each year on a pro-rata basis. The estimated amount is based on billings during the month following the close of the year.

**E.      Bad debts**

Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. As of December 31, 2001, \$118 were considered to be uncollectible.

**F.      Prepaid items**

Payments to vendors for services that will benefit periods beyond December 31, 2001, are recorded as prepaid items.

**G.      Fixed Assets**

The proprietary fund is accounted for on a cost of service or "capital maintenance" measurement basis, and all assets and all liabilities (whether current or noncurrent) associated with its activities are included on its balance sheet.

Depreciation of all depreciable fixed assets used by the District is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and improvements are capitalized. The estimated useful lives are as follows:

Water System	
Building	18 - 40 years
Furniture and equipment	5 - 15 years
Water distribution system	1 - 50 years

**WATERWORKS DISTRICT NO. 2 OF NAUTCHIEUX PARISH,  
LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2009**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.      Restricted Assets**

The Enterprise Fund, based upon certain bond covenants, is required to establish and maintain prescribed amounts of resources (consisting of cash and cash equivalents) that can be used only to service maturing debt. These assets consist of cash money market accounts.

**B.      Fund equity**

Unaccrued retained earnings for the proprietary fund represents the net assets available for future operations or distribution. Reserved retained earnings for the proprietary fund represents the net assets that have been legally identified for specific purposes. Contributed capital is recorded in the Enterprise Fund for capital grants and contributions received for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation schedule on that portion of the assets acquired or contributed from such resources.

**C.      Comparative data**

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide a better understanding of changes in the District's financial position and operations. However, comparative (i.e., presentation of prior year) data by fund type has not been presented in each of the statements since their inclusion would make the statements overly complex and difficult to read. Certain amounts from prior year financial statements have been reclassified to conform with current classifications.

**D.      Estimates**

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**E.      Encumbrances**

For purposes accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to ensure that portion of the applicable appropriation, is not employed by the District.

**NOTE 2      CASH AND CASH EQUIVALENTS**

Louisiana Revised Statutes authorize the District to invest in United States bonds, treasury notes or certificates, or to deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. They are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

At December 31, 2009, the District had cash and cash equivalents totaling \$251,076, as follows:

**WATERWORKS DISTRICT NO. 2 OF PARISHOTCHIBUS PARISH,  
LOUISIANA  
NOTED TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2008**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

Payable cash	\$	408
Interest deposit accounts		16,373
Interest bearing accounts		<u>273,826</u>
<b>Total</b>		<b><u>\$ 290,537</u></b>

Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount so deposited with the fiscal agent bank. As of December 31, 2008, the District had \$402,346 in bank deposits. These deposits were secured from both by \$101,567 of federal deposit insurance and \$454,732 (market value) of pledged securities held by the collateral bank in the name of the fiscal agent (CASH Category 3).

Even though the pledged securities are considered collateralized (category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the collateral bank to advertise and sell the pledged securities within ten (10) days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 3 INVESTMENTS**

The District maintains investment accounts administered by the Louisiana Office of Finance. Under state law, the District may invest in obligations of the U. S. Treasury and U. S. Agencies, or certificates of deposit. Investments are carried at fair value as of the balance sheet date.

Investments can be classified according to the level of risk in the entity. Investments made by the District as of December 31, 2008 are summarized below by the category of risk.

- Category 1** Issued or registered in the entity's name, or securities held by the entity or its agent in the entity's name.
- Category 2** Unissued or registered with securities held by the counterparty's trust department or agent in the entity's name.
- Category 3** Unissued and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

Type of Investments	Category Risk			Reported Amount	Fair Value
	1	2	3		
Certificates of deposit	\$ 112,000	\$ 0	\$ 0	\$ 112,000	\$ 112,000
<b>Total</b>	<b><u>\$ 112,000</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 112,000</u></b>	<b><u>\$ 112,000</u></b>

**WATERWORKS PROJECT NO. 1 FOR NATION'S FIRST PARK  
NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2008**

**NOTE 4      RESTRICTED ASSETS**

At December 31, 2008, the District had the following restricted assets:

Contributions of subscriptions relating fund	\$	5,937
Capital additions and contingencies fund		18,033
Customer's refundable meter deposits		16,290
Revenue bond refund fund		10,937
FHA Revenue bond and interest sinking fund		2,635
FHA Revenue bond reserve fund		15,000
FHA Depreciation and contingency fund		<u>28,838</u>
<b>Total</b>	<b>\$</b>	<b><u>106,670</u></b>

**NOTE 5      PROPERTY, PLANT AND EQUIPMENT**

The following is a summary of property, plant, and equipment at December 31, 2008:

	<u>Useful Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Current Year Depreciation</u>
Land		\$ 1,000	\$ 0	\$ 1,000	\$ 0
Buildings	10 - 30	68,581	(18,170)	50,411	3,130
Furniture and equipment	5 - 15	176,766	(151,199)	25,567	29,842
Water distribution system	7 - 30	<u>2,829,809</u>	<u>(988,320)</u>	<u>1,841,489</u>	<u>76,119</u>
<b>Total</b>		<b>\$ <u>3,165,756</u></b>	<b>\$ <u>(1,189,789)</u></b>	<b>\$ <u>1,975,967</u></b>	<b>\$ <u>109,191</u></b>

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Changes during the year:			
Balance, beginning of year	\$ 2,293,729	\$ (869,918)	\$ 1,423,811
Additions:			
Buildings	7,881	0	7,881
Furniture and equipment	1,381	0	1,381
Water distribution system	844,878	0	844,878
Deletions:	0	0	0
Depreciation	<u>9</u>	<u>(183,782)</u>	<u>(183,782)</u>
<b>Balance, end of year</b>	<b>\$ <u>3,145,755</u></b>	<b>\$ <u>(1,053,700)</u></b>	<b>\$ <u>2,092,055</u></b>

**NOTE 6      OBLIGATIONS UNDER CAPITAL LEASE**

On January 12, 1994, the District entered into a lease agreement for the acquisition of an office building. The agreement provides for one hundred and twenty (120) monthly payments of \$228.35. At the maturity of the lease term, the District may purchase the office building for one (\$1) dollar. The cost of the office building, \$25,800, is included as an asset and an obligation in the financial statements.

**WATERWORKS DISTRICT NO. 2 OF NEW BRUNSWICK PARISH  
NEW BRUNSWICK, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006**

**NOTE 4: OBLIGATIONS UNDER CAPITAL LEASE (CONTINUED)**

The following is a schedule of future minimum lease payments and the present value of the unfuture minimum lease payments as of December 31, 2006:

Year Ending December 31	Office Building
2007	\$ 3,364
2008	3,364
Total minimum lease payments	7,028
Less amount representing interest	(457)
Present value of minimum lease payments	<u>\$ 6,571</u>

The Waterworks District was not obligated under any operating leases as December 31, 2006.

**NOTE 7: LONG TERM DEBT**

The following is a summary of debt transactions of the District for the year ended December 31, 2006:

	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
Revenue Bonds - 1979	9.00%	2006	\$ 349,000	\$ 50,000
Revenue Bonds - 1987	9.75%	2016	349,000	197,158
Certificate of Indebtedness - 1999	9.18%	2009	250,000	195,432
Total			<u>\$ 948,000</u>	<u>\$ 442,632</u>

The annual requirements to service all debt outstanding as of December 31, 2006, including interest payments are as follows:

Year Ending December 31	Revenue Bond 1979	Revenue Bond 1987	COI - 1999	Total
2007	\$ 18,750	\$ 21,691	\$ 31,605	\$ 72,006
2008	18,750	21,691	31,605	72,006
2009	18,998	21,691	31,605	72,356
2010	0	21,691	31,605	54,356
2011	0	21,691	31,605	54,356
Thereafter	<u>\$ 0</u>	<u>\$ 411,138</u>	<u>\$ 94,995</u>	<u>\$ 506,133</u>
Total	<u>\$ 36,750</u>	<u>\$ 448,913</u>	<u>\$ 283,115</u>	<u>\$ 1,068,778</u>

**NOTE 8: PENDING LITIGATION**

There was no outstanding litigation against the Waterworks District No. 2 of New Brunswick Parish as December 31, 2006.



**WATERWORKS DISTRICT NO. 2 OF MACHINISTON PARISH**  
**HATCHER, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**DECEMBER 31, 2001**

**NOTE 9        RISK MANAGEMENT**

Waterworks District No. 2 of Machiniston Parish is exposed to various risks of loss related to acts of theft of, damage to, and destruction of assets, errors and omissions injuries to employees, and natural disasters. The District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude significant uninsured losses to the District.

**NOTE 10       RETIREMENT COMMITMENTS**

All employees of Waterworks District No. 2 of Machiniston Parish are covered by the Social Security System. Employees contribute 6.2 percent of their total salary to the System, while the District contributes a like amount. For the year ended December 31, 2000, total contributions to the system were \$15,792, of which the District paid \$8,896 and employees paid \$6,896. Total payroll for the year ended December 31, 2000 was \$1,276,944 and total payroll covered by the system was \$113,388. Any future deficits in this system will be financed by the United States Government. The District has no further liability to the system for the year ended December 31, 2001.

## OTHER SUPPLEMENTARY INFORMATION

WATERBORG DISTRICT NO. 2 OF HATCHERDORCHES PARISH  
SATCHER, LOUISIANA  
SCHEDULE OF COMPENSATION AND COMMISSIONS  
FOR THE YEAR ENDED DECEMBER 31, 2001

SCHEDULE 1

<u>Members</u>	<u>Months</u>	<u>Amount</u>	<u>Amount</u>
John T. Flatter, Jr.	18	5	900
Donald D. Fries	12		360
James L. Johnson	9		240
Clyde Monroe	12		360
David Motayer	10		600
Kenneth Pruthianna	10		600
Norman Rachal	12		320
Richard Williamson	10		600
Total		5	5,000

# HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS  
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C. MERLIN HINES, CPA  
JAY W. HINES, CPA

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

President and Board of Commissioners  
Waterworks District No. 2 of Hanchitchee Parish  
Bossier, Louisiana 71456

We have conducted the audit of proposed financial statements of Waterworks District No. 2 of Hanchitchee Parish, Bossier, Louisiana, a component unit of the Hanchitchee Parish Police Jury, as of and for the year ended December 31, 2001, and have issued our report thereon dated April 5, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Waterworks District No. 2's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with these provisions may not be objective if our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Waterworks District No. 2's internal control over financial reporting, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that a misstatement in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management of the Waterworks District No. 2 of Hanchitchee Parish and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties.

**Hines, Jackson & Hines**  
Hanchitchee, Louisiana  
April 5, 2002

**WATERBURY DISTRICT NO. 10 WATERBURY, MASS.  
NATHAN, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR (PERIOD)  
DECEMBER 31, 2001**

**SCHEDULE**

Fiscal Year Finding Initially		Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
Ref. No.	Character			

Nothing came to our attention that would require disclosure under Government Auditing Standards.

WATERWORKS DISTRICT NO. 1 OF NATCHITOCHES PARISH  
NATCHITOCHES, LOUISIANA  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDING  
DECEMBER 31, 2001

SCHEDULE 1

Ref. No.	Description of Finding	Correct Action Planned	Name of Contact Person(s)	Anticipated Completion Date
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Nothing came to our attention that would require disclosure under Government Auditing Standards.